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23 September 1959

MEMORANDUM FOR: Mr. Warner

SUBJECT: S. 2633

1. There follow comments on those aspects of S. 2633 which appear to be of interest. This is a committee-reported bill to amend the Foreign Service Act of 1946. It has been approved by the Senate.

New FSS Schedule

2. Section 2 provides for a new ten-class schedule of Foreign Service Staff positions. This brings Staff positions into line with the FSO schedule implemented under the 1956 amendments. It is designed primarily to eliminate unused classes and to provide a better promotion ladder for Staff people.

Dependent Hiring

3. Section 2 also provides for reduced salary rates for citizens while abroad. This authority can be used in those instances where persons who may technically be US citizens are hired locally in the same way and for the same tasks as indigenous personnel. This authority apparently may be used as a basis for an entirely new category of personnel. The legislative history will provide a clear basis for hiring dependents under this authority without placing them in regular Foreign Service Staff positions.

Appointment at Above Basic Rates

4. Section 2 further authorizes the Secretary of State to uniformly appoint employees in a particular vocational category at a salary above the basic rate. Discretion as to what positions merit such treatment is left with the Secretary.

Local Wage Scales

5. Section 7 of the Bill authorizes the Secretary of State to set local wage scales consistent with employment practices in the country concerned and provides express authority for all Government agencies operating overseas to administer local employee programs in accordance with these scales. This provision would be of immediate interest to FRID and

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Courier Differential

6. Section 8 of the Bill establishes a 15% salary differential for persons on courier duty, contemplating such duty as analogous to various hazardous duties in the military.

Lateral Entry

7. Section 11 of the Bill removes the ceiling on lateral entry into the Foreign Service. (Presently 175 for persons other than employees of State).

Quarters Allowance in U.S.

8. Section 16(e) of the Bill is a rather remarkable provision for a quarters allowance for members of the Foreign Service assigned to Washington between assignments abroad. This was justified as being analogous to that received by the military for some time past. The rates are 8% for employees without dependents, 11% for those with one to three dependents, and 13% for those with more than three dependents. According to the Committee Report, these percentages represent about one-half of average housing costs.

Language Requirement

9. Section 18 of the Bill would require the Secretary of State to designate those positions in the Foreign Service (abroad) which should be occupied by a person having knowledge of the language of the country. After a five year period to allow for increased training in foreign languages, every such position could be filled only by a person so qualified, except where the Secretary made an exception for a specific individual as required by some extraordinary condition.

Increases Above Basic Rate

10. Section 19 of the Bill places Foreign Service Officer's in-grade raises on the first day of the fiscal year (for all employees having nine months service in grade or more) instead of on the promotion anniversary. This section also authorizes the Secretary to grant salary increases within a class (but not confined to step rates) for merit. The Committee Report indicates that this contemplates in particular language training.

Retirement Age

11. Section 22 of the Bill provides for compulsory retirement at age 65 for career ambassadors and ministers and age 60 for other Foreign Service Officers. A five-year extension, at the discretion of the Secretary, is provided for.

Language Training for Wives

12. Section 31 provides authority for language training at the Foreign Service Institute or other State Department facilities for wives of Government employees generally, in anticipation of assignment abroad, on a space available basis. State has been providing such training to some extent for some time but it was thought that express authority should be provided and it would seem that this would more than likely cause some expansion of this program.

Proficiency Awards

13. Section 32(b) authorizes cash proficiency awards, in accordance with regulations prescribed by the Secretary of State, for competence in esoteric languages or other special abilities (not explained in the Bill or the Committee Report).

FSS Retirement

14. Section 33(b) provides for mandatory participation by Foreign Service Staff employees in the Foreign Service retirement system after ten years service. Contributions already made to another system are transferred or credited in the Foreign Service retirement system, but no adjustments, up or down, are made.

FSRS Contributions

15. Section 35 increases the rate of contributions to the Foreign Service retirement system from 5% to 6 $\frac{1}{2}$ %. This provision was based on a projected difference of liabilities over assets at the present rate.

Survivor Benefits

16. Section 36 provides for survivor benefits equivalent to those under the Civil Service retirement system. (Proposed section 821(b) (spouses) is comparable to Title 5, section 2259(g) and 2260(a). Proposed section 821(c) (children) is comparable to Title 5, section 2260(c). Proposed section 821(f) (designees) is comparable to Title 5, sections 2259(h) and 2260(b)).

Dual Compensation

17. Section 46 allows a retired Foreign Service Officer to receive his full salary from any Government employment plus so much of his annuity which, when taken together with his salary, does not exceed the highest salary he received while a Foreign Service Officer on active duty. This provision is designed to allow the Government to compete better with private industry for the services of retired Foreign Service Officers.

Furniture Lending

18. Section 48 authorizes the Secretary to lend furniture to employees in the field. It is thought that by establishing pools of furniture under this authority, considerable shipping costs to the Government can be saved. We already do this; so does State.

Motor Scooter Shipment

19. Section 49 of the Bill amends section 913 of the act covering shipment of employees' automobiles to allow motor scooters and motor-cycles to be shipped instead of automobiles only.

Taxicab Hire

20. Section 52 allows a Chief of Mission to approve the use of taxicabs to transport employees between their homes and places of duty in those instances where other carriers are unsafe or unavailable. The Committee Report indicates that this authority will be used mainly in those situations where the use of a Government vehicle (already authorized) would involve the use of a chauffeur also, and the cost of the taxi would be less than the cost of a chauffeured Government vehicle.

21. I have omitted comment on the purely technical amendments and on such provisions as sections 9 and 20 of the Bill which expresses the Committee's philosophy on the qualifications of Chiefs of Mission and of diplomatic representatives generally with regard to their assignment to particular geographic areas.



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